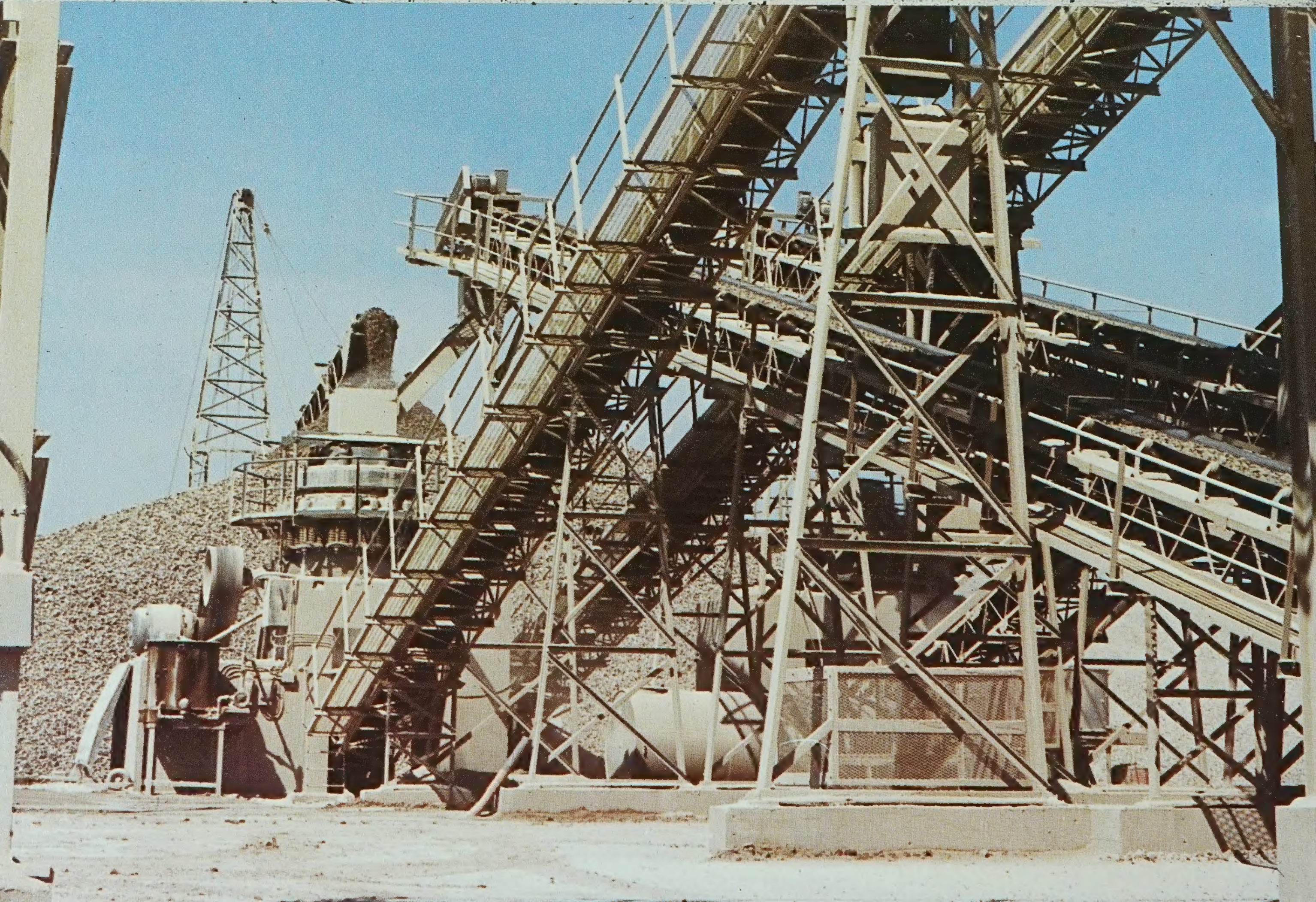
BLACKWOOD HODGE (CANADA) LIMITED
ANNUAL REPORT 1979

File


SUNTRACT



SUNTRACT MANUFACTURING CO. LIMITED EXPANDS ITS PRODUCT RANGE

We are pleased to inform our shareholders that during this past year an agreement was signed between the Iowa Manufacturing Company and Suntract Manufacturing Co. Limited — our wholly owned subsidiary company, to manufacture under license in Canada, part of the well known line of Cedarapids crushers. This will considerably improve Blackwood Hodge's competitive position and result in increased market demand for crushers.

It was in 1955 that Mulder (Canada) Limited, the predecessor of Suntract, was formed with a small plant in Scarborough, Ontario, to manufacture ducting, conveyor and custom fabricated equipment for the mining and pulp and paper industries.

Over the years, the business prospered and broad experience was gained in the design and manufacture of heavy equipment for many basic industries.

When the Company became associated with Blackwood Hodge, they further developed and produced a wide range of custom designed portable crushers, screening plants and conveyors that have been used on construction projects and aggregate quarries across the country.

In 1974 Blackwood Hodge acquired Mulder (Canada) Limited. The Company has experienced a steady growth and has gained valuable expertise in the design and manufacture of heavy equipment. The name was later changed to Suntract Manufacturing Co. Limited. The Company also operates a branch in Pointe Claire, Quebec.

The range of equipment manufactured now concentrates on portable and stationary crushing plants, screening plants, material handling systems, conveyors and bins for the aggregate industry, asphalt storage systems and concrete batching plants.

The license agreement to manufacture Cedarapids primary crushers by Suntract represents a natural extension of the Company's operation and will increase the Canadian content of this equipment, as well as, create additional employment and represent an opportunity for Blackwood Hodge to expand its services to the aggregate industry.

Mr. J.R. Loufek, (left) President of the Iowa Manufacturing Company and Mr. W.A. Shapland, Chairman of Blackwood Hodge (Canada) Limited, sign the licensing agreement that will enable Suntract Manufacturing Co. Limited to manufacture in Canada the Cedarapids line of crushers for the aggregate industry.

CONSISTENT DEMAND CONTINUES FOR BLACKWOOD HODGE PRODUCTS AND SERVICES.

Blackwood Hodge has established a good reputation through the sales and service of a wide range of heavy equipment designed specifically by well known manufacturers to meet the particular needs of the mining, pulp and paper, aggregate and construction industries. The manufacturers we represent include Terex-GM, Iowa Manufacturing Company, Drott-Poclain, Suntract Manufacturing Co. Limited, Wagner Mining Equipment Company and Raygo Incorporated. Elsewhere in this Annual Report we list other products we distribute in various parts of Canada.

The proof of the success of the Company's activities is reflected in this Annual Report which illustrates that a high level of sales was maintained for equipment, parts, service and rentals in the Company's major markets.

Although somewhat offset by variable economic conditions and the low value of the Canadian dollar, the level of business has shown consistent progress for the past three years. This is entirely due to the energies and excellent teamwork that is evident, not only throughout the Blackwood Hodge organization, but through active cooperation with the various suppliers. This is demonstrated by the innovative equipment that is being developed to meet the changing needs of the many Blackwood Hodge customers and the efficient manner in which the equipment is being serviced so as to maintain the level of productivity that our customers have come to expect.

Examples of new products recently introduced include a front end loader with a capacity of two and one half (2 1/2) cu. yd. from Terex-GM, and a new rubber-tired asphalt paver and a plant for reclaiming aggregate from used asphalt from Iowa Manufacturing Company. This recycling unit is particularly timely for the asphalt industry because of increased use of reclaimed aggregate for road construction, and incorporates an environmentally acceptable process because of the restrictions now being placed on asphalt and quarry operations close to urban centers.

With 1979, a good year behind us, we look forward to the future decade which promises to be even better. Increasing emphasis will be placed on energy projects related to coal, oil, tar sands, heavy oil and uranium. Natural gas pipelines also promise to boost the construction industry considerably. Mining operations are expected to show considerable increase due to the demand for basic metals, and particularly for precious metals, of which Canada is a leading world supplier. Logging operations are expected to continue at a high level of activity to meet the demand for news print, and lumber is expected to pick up to meet the requirements of the housing industry.

The Blackwood Hodge organization is keyed to serve this vast market from Newfoundland to Saskatchewan with twenty-two strategically located offices and service depots. The servicing of equipment is a very important part of the Company's business and a major factor in maintaining the goodwill of customers.

A computerized inventory system and on-line communications network connecting all the Company's twenty-two locations is nearing completion. This is the culmination of many years of planning and development in evolving a most efficient parts ordering system using our extensive computer facilities.

The skills of our mechanics and service technicians are upgraded on a regular basis with continued training sessions so as to keep abreast of the advancing technology of our industry. Coupled with this we have our well equipped work shop and service facilities thus enabling us to service and repair machines and overhaul components and return them to full operating condition with a minimum of time loss.

The Company is well prepared to meet the challenge of the 1980's and will continue to expand its operations to meet the future needs of those industries we serve.

REPORT TO SHAREHOLDERS

We are pleased to report consolidated net earnings in 1979 of $3,862,000 which is a record in the Company's history. This amount is an improvement of $1,100,000 or 40 per cent compared with 1978.

Sales and Rentals were $129,868,000, an increase of $18,593,000 or 17 per cent over 1978. All divisions contributed to this increase and in most instances they exceeded the budgeted forecasts for the year. Your Directors feel that this was a very satisfactory performance by our sales departments in a year in which the market showed little real growth and competition was very strong. In spite of this we were able to maintain our overall gross profit margins.

Operating Expenses necessarily showed some increase because of higher wages and prices but the increase was kept within reasonable limits by the controls which we exercise.

As a result of these various factors Earnings from Operations at $12,860,000 showed an increase of $2,733,000 or 27 per cent compared with 1978.

Interest charges at $8,670,000 were up by $2,079,000 thus offsetting a major part of the improvement in Earnings from Operations. These charges were of course affected by the substantial increase in interest rates over the past year. This was a factor over which we had no control. In addition, however, our borrowings have increased substantially since 1978 because of the need to finance higher levels of Inventories and Accounts Receivable. We endeavour at all times to control the level of these assets but with our expanding business some growth is inevitable. Also with high money costs and a measure of market uncertainty, some customers have over the past year shown a marked tendency to rent equipment rather than to buy and to be slower in paying their bills. The increase in interest costs is very serious and we are examining all possible ways of overcoming this problem.

The provision of $1,800,000 for Income Taxes is calculated by reference to the earnings for 1979. The extraordinary item of $617,000 represents the reduction of Income Taxes resulting from the application of losses of prior years.

Your Directors regard the net earnings for 1979 of $3,862,000 as very satisfactory and they wish to record a vote of thanks to the Group management, staff and all employees for this fine achievement.

The financial position of the Company at 31st December 1979 was good with the total shareholders' equity standing at $30,663,000, equivalent to $12.54 per share. Working capital at the end of the year amounted to $40,739,000.

Our forecasts for 1980 indicate a reasonably good year but the profits are likely to have to bear a heavy charge for interest on borrowed money. It is therefore necessary to restrict our borrowings as much as possible. It is in these circumstances that the Directors will pay on 9th April 1980 a cash dividend of $0.30 per share to holders of record of Class A and Class B shares on 19th March 1980 making, with the interim dividend, a total of $0.50 per share on both classes of shares for the fiscal year 1979. The undistributed profits for that year amounting to $2,639,000 will improve the Company's financial resources and reduce the borrowing requirement.

By Order of the Board

W.A. Shapland

W.A. Shapland, Chairman

F.J. King

F.J. King, President

Toronto, March 17th, 1980

BLACKWOOD HODGE (CANADA) LIMITED

CONSOLIDATED BALANCE SHEET as at December 31, 1979

(with prior year's figures for comparison)

(Incorporated under the Canada Corporations Act)

ASSETS	($000)	
Current Assets:	1979	1978
Cash	$ 48	$ 50
Accounts receivable	27,583	25,514
Instalment receivables	2,620	2,882
Due from affiliated companies	160	193
Inventories (Note 2)	77,629	56,854
Income taxes recoverable	—	424
Total current assets	108,040	85,917
Instalment receivables — due after one year	2,785	3,146
Investments — at cost (no quoted market value)	1,350	1,350
Property, plant and equipment (Note 3)	21,329	23,306
Equipment under capital leases (Note 4)	619	534
Total	$134,123	$114,253

Approved by the Board of Directors:
F.J. King, Director
J.G. Torrance, Director

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:	($000) 1979	1978
Bank indebtedness (Note 5)	$ 24,186	$ 22,451
Notes payable (Note 6)	23,272	23,485
Accounts payable and accrued charges	10,911	9,259
Income and other taxes payable	1,078	1,370
Due to affiliated companies	991	683
Current portion of long-term debt (Note 7)	586	589
Obligation under capital leases (Note 8)	198	171
Deferred income taxes	6,079	5,108
Total current liabilities	67,301	63,116
Notes payable — due after one year (Note 6)	12,033	6,395
Long-term debt (Note 7)	22,181	15,641
Obligation under capital leases (Note 8)	297	287
Deferred income taxes	1,648	1,652
Total liabilities	103,460	87,091
Shareholders' equity:		
Share capital (Note 9)	5,672	5,544
Appraisal surplus (Note 3)	6,559	6,559
Retained earnings	18,432	15,059
Total shareholders' equity	30,663	27,162
Total	$134,123	$114,253

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS
(with prior year's figures for comparison)

for the year ended December 31, 1979	($000)	
EARNINGS FOR THE YEAR	1979	1978
Sales and rentals	$129,868	$111,275
Costs and expenses	117,008	101,148
Earnings from operations	12,860	10,127
Interest earned	855	717
Earnings before interest charges	13,715	10,844
Interest charges — current debt	6,017	5,426
— long-term debt	2,653	1,165
Total interest charges	8,670	6,591
Earnings before income taxes	5,045	4,253
Provision for income taxes	1,800	1,469
Net earnings before extraordinary item	3,245	2,784
Extraordinary item (Note 10)	617	—
Net earnings for the year	$ 3,862	$ 2,784
RETAINED EARNINGS		
Balance at beginning of year (Note 4)	$ 15,059	$ 12,275
Net earnings for the year	3,862	2,784
	18,921	15,059
Dividends paid	489	—
Balance at end of year	$ 18,432	$ 15,059
Earnings per share (Note 11)		
Before extraordinary item	$ 1.34	$ 1.16
After extraordinary item	$ 1.59	$ 1.16

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
(with prior year's figures for comparison)

for the year ended December 31, 1979	($000)	
WORKING CAPITAL PROVIDED	1979	1978
From operations		
Net earnings before extraordinary item	$ 3,245	$ 2,784
Items not affecting working capital		
Depreciation and amortization	2,477	2,001
Deferred income taxes	(4)	66
Reduction of income taxes (Note 10)	617	–
Provided from operations	6,335	4,851
Sales of rental fleet	2,604	3,594
Decrease in instalment receivables	361	–
Increase in notes payable	5,638	2,769
Increase in long-term debt	6,540	10,644
Increase in obligation under capital leases	10	57
Issue of shares	128	–
Total	21,616	21,915
WORKING CAPITAL APPLIED		
Property, plant and equipment	2,927	5,008
Acquisition of equipment under capital lease	262	232
Dividends	489	–
Increase in instalment receivables	–	511
Acquisition of subsidiary, less working capital acquired	–	203
Total	3,678	5,954
Increase in working capital	17,938	15,961
Working capital at beginning of year	22,801	6,840
Working capital at end of year	$40,739	$22,801

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 1979

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned. The following companies are subsidiaries:

Blackwood Hodge Equipment Limited
Les Équipements Blackwood Hodge Québec Ltée.
Suntract Manufacturing Co. Limited

Foreign currency translation

Transactions in foreign currencies have been translated into Canadian dollars at rates prevailing at the time of the transactions, except that current assets and liabilities have been translated at the quoted rates of exchange at the end of the year.

Instalment receivables

The profit on sales which are financed by instalment sales contracts is recognized at the time of the sale and the interest earned is recognized over the term of the contract.

Valuation of inventory

Equipment for resale, parts and supplies are recorded at the lower of cost and net realizable value. Rental equipment is recorded at the lower of cost (including repairs and interest), reduced by a provision for decline in value over the terms of the respective rental agreements, and net realizable value.

Cost is on a specific item basis for equipment and on a first-in, first-out basis for parts and supplies.

Property, plant and equipment

Depreciation is provided on the straight-line basis at the following annual rates:

Buildings	2 1/2%
Equipment	10% - 20%
Rental fleet	14% - 25%

It is Company policy to have land and buildings appraised periodically on the going-concern basis and to record the resulting values at that time by eliminating accumulated depreciation and adjusting the asset accounts to appraisal value.

Leased equipment

Equipment taken on lease on terms which transfer substantially all of the benefits and risks of ownership to the Company are accounted for as "capital leases", as though an asset had been purchased and a liability incurred. This equipment is amortized on the straight-line basis at rates between 10% and 20%. All other items of equipment or property held on lease are accounted for as operating leases.

Income taxes

Capital cost allowance for income tax purposes is claimed on rental equipment included in inventories. The excess of capital cost allowance claimed over depreciation provided in the accounts on such equipment results in a deferral of income tax which is included in current liabilities.

The non-current portion of deferred income taxes arises principally from claiming capital cost allowance for tax purposes in excess of depreciation recorded for plant, equipment and the rental fleet.

Pensions

Pension costs for current service are charged to earnings on a current basis. Past service costs relating to a change in benefits in 1978 are being charged to earnings over a period of fourteen years.

2. INVENTORIES

	1979	1978
Equipment	$58,525,000	$38,908,000
Parts and supplies	19,104,000	17,946,000
Total	$77,629,000	$56,854,000

3. PROPERTY, PLANT & EQUIPMENT

	1979	1978
Land	$ 4,469,000	$ 4,469,000
Buildings	11,761,000	11,277,000
Equipment	6,177,000	5,057,000
Rental fleet	8,961,000	13,317,000
	31,368,000	34,120,000
Less accumulated depreciation	10,039,000	10,814,000
	$21,329,000	$23,306,000

Land and buildings are recorded at their going-concern value, based upon appraisals made by Bosley Farr Associates Ltd. as of December 31, 1977, with subsequent additions at cost. The excess of appraisal value over depreciated value is included in shareholders' equity. The equipment and the rental fleet are recorded at cost.

4. EQUIPMENT UNDER CAPITAL LEASES

	1979	1978
Cost	$ 1,016,000	$ 754,000
Less accumulated amortization	397,000	220,000
	$ 619,000	$ 534,000

The amount of amortization charged to expenses in 1979 is $177,000 (1978 – $133,000).

The Company retroactively adopted the Canadian Institute of Chartered Accountants' recommendations on accounting for leases. Accordingly, the accompanying 1978 financial statements have been restated to include the net value of equipment acquired under capital leases ($534,000), the related debt obligations ($458,000), deferred income taxes ($37,000), and net income for the period and opening retained earnings have been increased by $22,000 and $17,000 respectively.

5. BANK INDEBTEDNESS

	1979	1978
Current operating loans	$5,764,000	$4,179,000
Outstanding cheques	2,422,000	1,772,000
Bankers' acceptances	16,000,000	14,500,000
Promissory note	—	2,000,000
	$24,186,000	$22,451,000

Current operating loans and bankers' acceptances are secured by assignments of accounts receivable. Interest on bank loans (15 1/2% at December 31, 1979) is at 1/2% over the banks' prime rate. Bankers' acceptances bear interest at a rate of 14 1/2% and are issued for a period of 60 days.

6. NOTES PAYABLE

Trade notes payable are secured by liens on specific items in the equipment inventory and rental fleet, and bear interest at rates ranging from 9 1/2% to 16 1/2% at December 31, 1979 and are payable within 1 to 60 months.

7. LONG-TERM DEBT

	1979	1978
Term bank loans	$18,500,000	$12,000,000
Loans — parent & affiliates	3,781,000	3,702,000
Mortgages	486,000	528,000
	22,767,000	16,230,000
Less current portion included in current liabilities	586,000	589,000
	$22,181,000	$15,641,000

The term bank loans bear interest to a maximum of 1 1/4% above the prime bank rate (December 31, 1978 — 2% above prime bank

rate). These term bank loans to the extent of $9,000,000 are secured by a collateral mortgage on certain of the properties and are repayable as follows:

June 30, 1980 and 1981	$ 500,000 per ann.
May 10, 1981	7,000,000
June 30, 1982 and 1983	750,000 per ann.
Dec. 31, 1983 to 1986	2,250,000 per ann.

Current operating loans, bankers' acceptances and term bank loans are guaranteed to the extent of $19,500,000 by an affiliated company, Blackwood Hodge Limited.

Loans payable to the parent company and affiliated companies have no fixed terms of repayment and bear interest generally at rates from 8% to 9%.

Mortgages payable are secured by various properties and are repayable within 1 to 8 years, and bear interest at rates from 7% to 10 1/2%.

The portions of long term debt maturing within 5 years are: 1980 — $586,000; 1981 — $7,566,000; 1982 — $820,000; 1983 — $3,064,000; 1984 — $2,305,000.

8. OBLIGATION UNDER CAPITAL LEASES

The following is a schedule of minimum lease payments under the capital leases which expire at varying dates between December 31, 1980 and December 31, 1989, together with the balance of the obligation:

1980	$241,000
1981	168,000
1982	107,000
1983	43,000
1984 and thereafter	19,000
Total minimum lease payments	578,000
Less amount representing interest at rates varying between 7% and 13 1/2%	83,000
	495,000
Less current portion	198,000
	$297,000

Interest charges on long-term debt includes $56,000 (1978 — $45,000) with respect to this obligation.

9. SHARE CAPITAL

Authorized:

3,500,000 Class A convertible common shares without par value.

3,500,000 Class B convertible common shares without par value.

Issued and fully paid:

2,354,950 Class A shares (1978 — 2,314,350)
90,500 Class B shares (1978 — 94,800)

Class A and Class B shares are freely interconvertible at any time on a one-for-one basis.

During the year, 8,100 shares were converted from Class A to Class B and 12,400 shares were converted from Class B to Class A.

100,000 of the Class A shares were originally reserved for issuance under the company's stock option plan. Options to purchase 55,750 shares at $3.53 per share were granted in 1974 and expired November 7, 1979. During 1979 options to purchase 36,300 shares were exercised for a cash consideration of $128,000. From 1974, options to purchase 10,300 shares were cancelled, 45,450 shares were issued under this plan leaving 54,550 Class A shares still reserved for issuance under the company's stock option plan.

10. EXTRAORDINARY ITEM

In prior years the company and its subsidiaries incurred losses for tax purposes which have been applied to reduce current year's income taxes by $617,000.

11. EARNINGS PER SHARE

Earnings per share have been calculated on the weighted average number of shares outstanding (1979 — 2,429,900 shares; 1978 — 2,409,150 shares).

12. INCOME TAXES

The tax provision for the current year has been reduced by approximately $495,000 (1978 — $433,000) as a result of the inventory credit available in 1979 as a deduction in arriving at taxable income.

13. REMUNERATION OF DIRECTORS AND OFFICERS

The company has 5 directors and their remuneration as directors amounts to $17,500 (1978 — $14,500). The company has 5 officers, 3 of whom are also directors. They received aggregate remuneration as officers of $290,600 (1978 — $247,500). Remuneration of directors and senior officers, as defined in The Securities Act (Ontario), amounted to $308,100 (1978 — $262,000).

14. PENSION PLAN

Based on actuarial estimates, past service costs not yet charged to earnings at December 31, 1979 amount to $299,000. These costs are being amortized and funded at a rate of $31,000 per year.

15. COMMITMENTS

Various subsidiaries have entered into operating leases for business premises for periods of up to 5 years. Annual rental costs approximate $367,000.

16. CONTINGENT LIABILITIES

The companies are contingently liable on instalment sales contracts and customers' notes discounted amounting to $4,162,000 at December 31, 1979 (1978 — $6,306,000).

17. COMPARATIVE FIGURES

Certain of the prior year's figures, provided for the purpose of comparison, have been reclassified to conform to the current year's presentation.

18. BRITISH COLUMBIA COMPANIES ACT

The consolidated financial statements of the company have been prepared in accordance with the Canada Corporations Act and do not necessarily comply with every regulation under Section 198 of the British Columbia Companies Act.

AUDITORS' REPORT

To the Shareholders of
Blackwood Hodge (Canada) Limited:

We have examined the consolidated balance sheet of Blackwood Hodge (Canada) Limited as at December 31, 1979 and the consolidated statements of earnings and retained earnings and of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1979 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the change in the method of accounting for leases referred to in Note 4 to the consolidated financial statements.

Deloitte Haskins + Sells
Chartered Accountants

Toronto, Ontario
February 22, 1980

FIVE YEAR FINANCIAL REVIEW

($000)	1979	1978	1977	1976	1975
Sales and rentals	$129,868	$111,275	$108,202	$ 91,084	$109,753
Operating earnings	$ 12,860	$10,127	$ 5,851	$ 4,217	$ 11,378
Interest earned	855	717	913	1,193	1,263
Interest expense	8,670	6,591	6,295	6,997	5,857
Income taxes (recovery of)	1,800	1,469	132	(726)	3,363
Net earnings (loss) from operations	3,245	2,784	337	(861)	3,421
Extraordinary item	617	—	—	—	—
Net earnings (loss)	$ 3,862	$ 2,784	$ 337	$ (861)	$ 3,421
Cash flow	$ 6,335	$ 4,851	$ 1,110	$ 2,694	$ 6,449
Earnings (loss) per share	1.59	1.16	.14	(.36)	1.42
Dividends:					
Class A	.20	—	—	—	.50
Class B	.20	—	—	—	.425
Equity per share	12.54	11.27	10.11	8.66	9.28
Shareholders' equity	30,663	27,162	24,361	20,854	22,298
Working capital	40,739	22,801	7,028	8,540	11,286
Total assets	$134,123	$114,253	$102,261	$107,354	$102,230

SUNTRACT RENTALS

Blackwood Hodge's rental division Suntract Rentals, specializes in the rental, sale and service of small to medium sized equipment to contractors throughout Ontario and the Atlantic provinces.

The wide range of equipment available includes vibratory rollers and compactors, pumps, compressors, portable heaters, generators, and many other products.

DIRECTORS & OFFICERS

BLACKWOOD HODGE (CANADA) LIMITED

DIRECTORS

	W.A. Shapland
	F.J. King
	R. Thacker
	C.L. Ferguson
	J.G. Torrance, Q.C.

OFFICERS

Chairman	W.A. Shapland
President	F.J. King
Vice President Finance & Administration	F.G. Mundy
Secretary	N.E. Warry

BLACKWOOD HODGE EQUIPMENT LIMITED

ONTARIO DIVISION

Vice President - General Manager	G.F. Lambert
Vice President - Manager Southern Operations	V.T. Ward
Vice President - Manager Northern Operations	F.J. Castron

ATLANTIC DIVISION

Vice President - General Manager	D.G. Roberts

WESTERN DIVISION

Vice President - General Manager	J.R. Letwin

TOBIN TRACTOR DIVISION

Vice President - General Manager	G.K. Robson
Vice President - Controller	L.L. Goddard

SUNTRACT RENTALS DIVISION

Vice President - General Manager	T.H. Hamilton

LES ÉQUIPEMENTS BLACKWOOD HODGE QUÉBEC LTÉE.

Vice President - General Manager	C.H. Holcomb
Vice President - Parts & Service	W. Hachey

SUNTRACT MANUFACTURING CO. LIMITED

President	R.B. Deschamps

BANKERS	Canadian Imperial Bank of Commerce
AUDITORS	Deloitte Haskins + Sells Chartered Accountants
SOLICITORS	Smith, Lyons, Torrance, Stevenson & Mayer
REGISTRAR AND TRANSFER AGENT	National Trust Company Limited
STOCK EXCHANGES	Toronto Stock Exchange Montreal Stock Exchange

BLACKWOOD HODGE (CANADA) LIMITED

Head Office:
10 Suntract Road
Weston, Ontario M9N 3N5
Tel.: (416) 244-2531

Mailing Address:
P.O. Box 1004, Station A
Weston, Ontario Canada
M9N 3N5

Cable Address:
Suntract Toronto
Telex No. 069-65801

BLACKWOOD HODGE EQUIPMENT LIMITED

ONTARIO DIVISION
10 Suntract Road, P.O. Box 1004, Station A
Weston, Ontario M9N 3N5
Tel.: (416) 244-2531
Branches: London, Ottawa, Sudbury, Timmins and Elliot Lake, Ont.

ATLANTIC DIVISION
10 Wright Avenue, P.O. Box 816
Burnside Industrial Park,
Dartmouth, Nova Scotia B2Y 3Z3
Tel.: (902) 463-5010
Branches: Sydney, N.S., Moncton, N.B. and St. John's, Nfld.

WESTERN DIVISION
380 Keewatin Street
Winnipeg, Manitoba R2X 2R9
Tel.: (204) 633-5800
Branch: Thunder Bay, Ont.

TOBIN TRACTOR DIVISION
Highway 6 North, P.O. Box 1427
Regina, Saskatchewan S4P 3C2
Tel.: (306) 543-6355
Branches: Saskatoon and Prince Albert, Sask.

SUNTRACT RENTALS DIVISION

ONTARIO OPERATION
163 Carlingview Drive
Rexdale, Ontario M9W 5E7
Tel.: (416) 675-7090
Branches: Scarborough, Stoney Creek, Ottawa, Kingston, Sudbury, Thunder Bay, London, Waterloo, Guelph, Brantford, Elliot Lake and Timmins, Ont.

ATLANTIC OPERATION
10 Wright Avenue, P.O. Box 810
Burnside Industrial Park
Dartmouth, Nova Scotia B2Y 3Z3
Tel.: (902) 469-9940
Branches: Port Hawkesbury and Sydney, N.S., Moncton, N.B. and St. John's, Nfld.

LES ÉQUIPEMENTS BLACKWOOD HODGE QUÉBEC LTÉE.
1945 55th Avenue
Dorval, Quebec H9P 1G9
Tel.: (514) 636-1220
Branches: Ste-Foy, Sept-Iles, Black Lake, Val d'Or, James Bay, Que. and Labrador City, Nfld.

SUNTRACT MANUFACTURING CO. LIMITED
3820 Midland Avenue, P.O. Box 292
Agincourt, Ontario M1S 3B9
Tel.: (416) 291-3778
Branch: Pointe-Claire, Que.

PRODUCTS

TEREX DIVISION — GENERAL MOTORS CORPORATION
Earthmoving Equipment — Haulers, Loaders, Crawlers and Scrapers

CHAMPION ROAD MACHINERY
Motor Graders

DROTT-POCLAIN
Hydraulic Excavators and Shovels

EAGLE IRON WORKS
Specialized Washing, Classifying Equipment

ESCO
Manganese Wear Parts

HITACHI
Hydraulic Excavators and Shovels

IOWA MANUFACTURING COMPANY CEDARAPIDS — ELJAY
Crushers, Asphalt Plants and Pavers

J. I. CASE
Construction Equipment

MARION-DRESSER
Mining Shovels and Drills

MWM — MURPHY DIESEL COMPANY
Air and Water-Cooled Diesels for Industrial and Marine Engines, Generator Sets

NORTHWEST ENGINEERING COMPANY
Draglines, Cranes and Shovels

RAYGO INC.
Vibratory Compactors and Asphalt Rollers

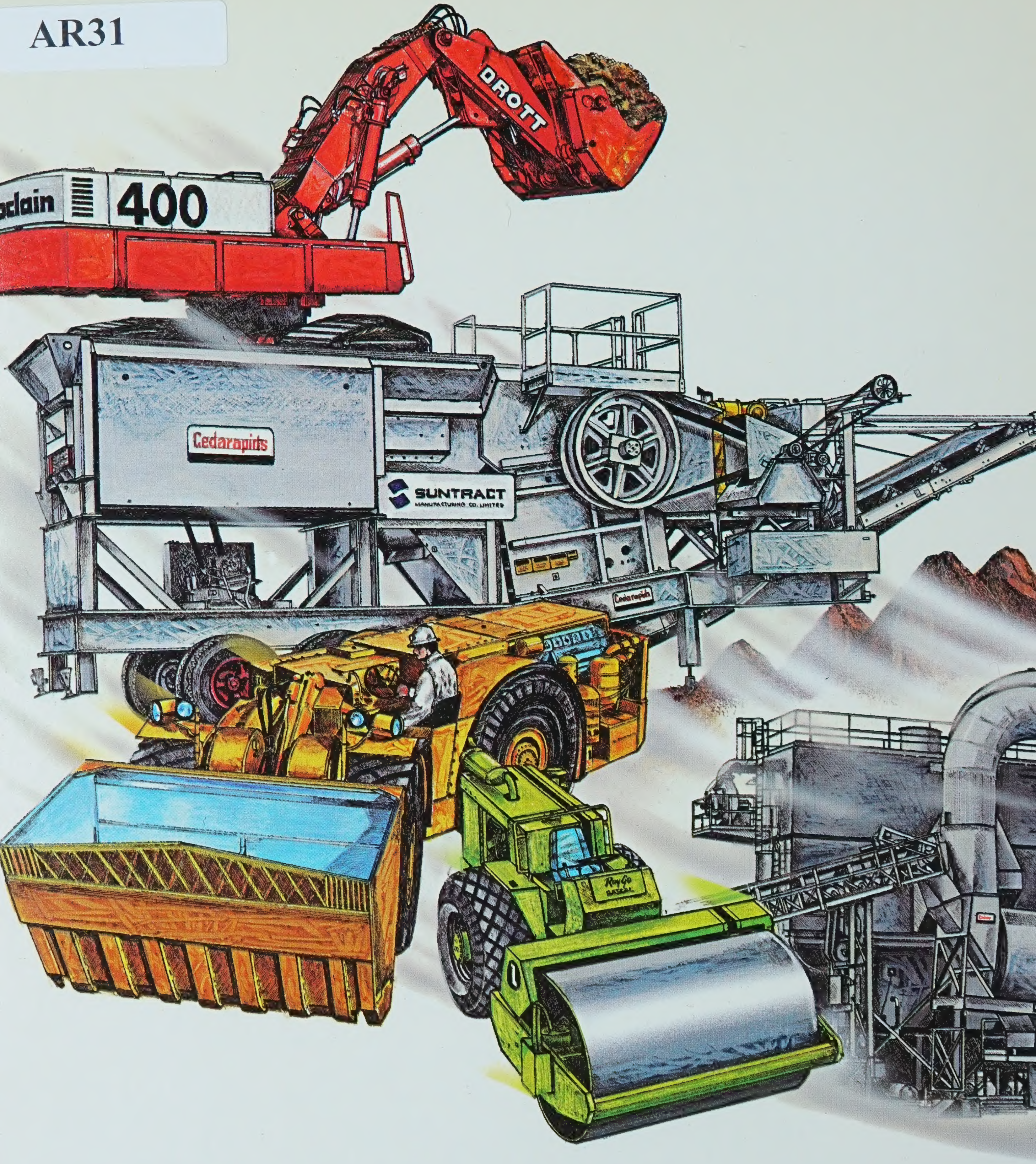
RAYGO-WAGNER
Industrial and Forestry Material Handling Equipment

SUNTRACT MANUFACTURING CO. LIMITED
Aggregate Producing and Material Handling Equipment

WAGNER MINING EQUIPMENT COMPANY
Underground Mining and Tunneling Vehicles


71530
82-20
71-530
TEREX GM


TEREX GM 72-61



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